

Proclamation 8596 of November 1, 2010

To Adjust the Rules of Origin Under the United States-Bahrain Free Trade Agreement, Implement Modifications to the Caribbean Basin Economic Recovery Act, and for Other Purposes

By the President of the United States of America
A Proclamation

1. In Presidential Proclamation 8097 of December 29, 2006, pursuant to the authority provided in section 1206(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 3006(a)) (the “1988 Act”), the President modified the Harmonized Tariff Schedule of the United States (HTS) to reflect amendments to the International Convention on the Harmonized Commodity Description and Coding System (the “Convention”).
2. Presidential Proclamation 8039 of July 27, 2006, implemented the United States-Bahrain Free Trade Agreement (USBFTA) with respect to the United States and, pursuant to section 101(a) of the United States-Bahrain Free Trade Agreement Implementation Act (the “USBFTA Implementation Act”) (Public Law 109–169, 119 Stat. 3581) (19 U.S.C. 3805 note), incorporated in the HTS the schedule of duty reductions and rules of origin necessary or appropriate to carry out the USBFTA.
3. In order to ensure the continuation of the staged reductions in rates of duty for originating goods from Bahrain in categories that were modified to conform to the Convention, the President proclaimed in Presidential Proclamation 8097 modifications to the HTS that he determined were necessary or appropriate to carry out the duty reductions proclaimed in Proclamation 8039.
4. Bahrain is a party to the Convention. Because the substance of changes to the Convention are reflected in slightly differing form in the national tariff schedules of the parties to the USBFTA, the rules of origin set out in Annexes 3–A and 4–A of that Agreement must be changed to ensure that the tariff and certain other treatment accorded under the USBFTA to originating goods will continue to be provided under the tariff categories that were modified in Proclamation 8097. The USBFTA parties have agreed to make these changes in a protocol to the USBFTA, which will go into effect on November 1, 2010.
5. Section 202 of the USBFTA Implementation Act provides certain rules for determining whether a good is an originating good for purposes of implementing tariff treatment under the USBFTA. Section 202(j)(1)(A) of the USBFTA Implementation Act authorizes the President to proclaim the rules of origin set out in the USBFTA and any subordinate categories necessary to carry out the USBFTA, subject to certain exceptions set out in section 202(j)(2)(A).
6. I have determined that modifications to the HTS proclaimed pursuant to section 202 of the USBFTA Implementation Act and section 1206(a) of

the 1988 Act are necessary or appropriate to ensure the continuation of tariff and certain other treatment accorded originating goods under tariff categories modified in Proclamation 8097 and to carry out the duty reductions proclaimed in Proclamation 8039.

7. Section 213A of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703a) (CBERA), as amended by the Haiti Economic Lift Program Act of 2010 (Public Law 111–171, 124 Stat. 1194) (19 U.S.C. 2701 note) (the “HELP Act”), provides that preferential tariff treatment may be provided for apparel and other articles originating in Haiti that are imported directly from Haiti or the Dominican Republic into the customs territory of the United States.

8. In order to implement the tariff treatment provided for under the CBERA, as amended, it is necessary to modify the HTS.

9. Proclamation 7987 of February 28, 2006, implemented the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA–DR). There was a technical error in the form of an inadvertent omission from Annex I of Publication 3829 of the United States International Trade Commission (USITC) entitled “Modifications to the Harmonized Tariff Schedule of the United States to Implement the Dominican Republic-Central America-United States Free Trade Agreement With Respect to El Salvador,” which was incorporated by reference into Proclamation 7987.

10. I have determined that a technical correction to general note 29 to the HTS is necessary to provide the tariff and certain other treatment accorded under the CAFTA–DR to originating goods.

11. In Proclamation 8097 two technical errors were made in U.S. note 2 to subchapter XVII of chapter 98 of the HTS as set forth in Annex I of Publication 3898 of the USITC entitled “Modifications to the Harmonized Tariff Schedule of the United States Under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988,” which was incorporated by reference into Proclamation 8097.

12. I have determined that technical corrections to U.S. note 2 to subchapter XVII of chapter 98 of the HTS are necessary to provide the intended tariff treatment.

13. Proclamation 8405 of August 31, 2009, modified certain rules of origin of the North American Free Trade Agreement (NAFTA). Technical errors, including an inadvertent omission, were made in the modifications to general note 12 to the HTS as provided in Annex I of Publication 4095 of the USITC entitled “Modifications to the Harmonized Tariff Schedule of the United States to Adjust Rules of Origin Under the North American Free Trade Agreement,” which was incorporated by reference into Proclamation 8405.

14. I have determined that technical corrections to general note 12 to the HTS are necessary to provide the tariff and certain other treatment accorded under the NAFTA to originating goods.

15. Section 604 of the Trade Act of 1974, as amended (the “1974 Act”) (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the provisions of that Act, and of other Acts, affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction. Section

1206(c) of the 1988 Act, as amended (19 U.S.C. 3006(c)), provides that any modifications proclaimed by the President under section 1206(a) of that Act may not take effect before the thirtieth day after the date on which the text of the proclamation is published in the *Federal Register*.

NOW, THEREFORE, I, BARACK OBAMA, President of the United States of America, by virtue of the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 1206(a) of the 1988 Act, section 202 of the USBFTA Implementation Act, section 213A of CBERA, as amended, and section 604 of the 1974 Act, do proclaim that: (1) In order to reflect in the HTS the modifications to the rules of origin under the USBFTA once those modifications go into effect, general note 30 to the HTS is modified as provided in Annex I to this proclamation.

(2) In order to implement the tariff treatment provided for in section 213A of CBERA, as amended, the HTS is modified as set forth in Annex II to this proclamation.

(3) In order to make the technical corrections to general note 29 to the HTS, the HTS is modified as set forth in paragraph 1 of Annex III to this proclamation.

(4) In order to make the technical corrections to U.S. note 2 to subchapter XVII of chapter 98 of the HTS, the HTS is modified as set forth in paragraph 2 of Annex III to this proclamation.

(5) In order to make technical corrections to general note 12 to the HTS, the HTS is modified as set forth in paragraph 3 of Annex III to this proclamation.

(6) The modifications and technical rectifications to the HTS set forth in Annex I to this proclamation shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after the later of (i) November 1, 2010, or (ii) the thirtieth day after the date of publication of this proclamation in the *Federal Register*.

(7) The modifications to the HTS set forth in Annexes II and III to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the dates provided in those Annexes.

(8) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this first day of November, in the year of our Lord two thousand ten, and of the Independence of the United States of America the two hundred and thirty-fifth.

BARACK OBAMA

Proclamations

Proc. 8596

ANNEX I

Effective with respect to goods of Bahrain, under the terms of general note 30 to the Harmonized Tariff Schedule of the United States, that are entered, or withdrawn from warehouse for consumption, on or after the later of November 1, 2010, or the thirtieth day after the date of publication of this proclamation in the Federal Register, subdivision (h) of such general note 30 is hereby modified as follows:

1. TCRs 2 and 3 for chapter 54 are deleted and the following new TCRs are inserted:

- "2. A change to tariff items 5407.61.11, 5407.61.21 or 5407.61.91 from tariff items 5402.47.10 or 5402.52.10, or from any other chapter, except from headings 5106 through 5110, 5205 through 5206 or 5509 through 5510.
3. A change to heading 5407 from any other chapter, except from headings 5106 through 5110, 5205 through 5206 or 5509 through 5510."

2. TCRs 1 and 2 for chapter 61 are deleted and the following new TCRs are inserted:

- "1. A change to subheadings 6101.20 through 6101.30 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (a) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (b) any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61.
2. (A) A change to goods of wool or fine animal hair of subheading 6101.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (i) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (ii) any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61.
- (B) A change to any other good of subheading 6101.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both."

3. TCR 5 for chapter 61 is deleted and the following new TCR is inserted:

- "5. (A) A change to tariff items 6103.10.70 or 6103.10.90 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
- (B) A change to subheading 6103.10 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (i) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (ii) any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61."

4. TCRs 6 and 7 for chapter 61 are deleted.

5. TCR 8 for chapter 61 is deleted and the following new TCR is inserted:

- "8. A change to subheadings 6103.22 through 6103.29 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (A) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (B) with respect to a garment described in heading 6101 or a jacket or a blazer described in heading 6103, of wool, fine animal hair, cotton or man-made fibers, imported as part of an ensemble of these subheadings, any visible

lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61."

6. TCR 13 for chapter 61 is deleted and the following new TCR is inserted:

- "13. A change to subheading 6104.13 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (A) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (B) any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61."

7. TCRs 14 and 15 for chapter 61 are deleted and the following new TCRs are inserted:

- "14. A change in tariff items 6104.19.40 or 6104.19.80 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both.
15. A change to any other good of subheading 6104.19 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516 or 6001 through 6006, provided that:
- (A) the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both, and
- (B) any visible lining material contained in the apparel article satisfies the requirements of chapter rule 1 for chapter 61."

8. TCR 16 for chapter 61 is modified by deleting "6104.21" and by inserting in lieu thereof "6104.22".

9. TCR 12 for chapter 62 is modified by deleting "6203.21" and by inserting in lieu thereof "6203.22".

10. TCR 29 for chapter 62 is deleted.

11. TCR 30 and the associated subheading rule for chapter 62 are deleted and the following new

TCR and subheading rule are inserted:

"Subheading Rule: Men's or boys' shirts of cotton or man-made fibers shall be considered to originate if they are both cut and assembled in the territory of Bahrain or of the United States, or both, and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51 or 5208.52 or tariff items 5208.59.20, 5208.59.40, 5208.59.60 or 5208.59.80, of average yarn number exceeding 135 metric;
- (B) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (C) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (D) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (E) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;
- (F) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (G) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (H) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or

(i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.

30. A change to subheadings 6203.20 through 6203.30 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both."

12. TCR 35 for chapter 62 is deleted and the following new TCR is inserted:

"62. A change to subheadings 6211.32 through 6211.49 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54 or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of Bahrain or of the United States, or both."

Title 3—The President

(I) In the case of apparel articles described by subdivision (b)(iv)(C)(1) of this note, subpart (b)(iv)(B)(3) shall be applied by substituting “\$5,000,000” for “\$200,000,000.”

(II) Apparel articles described in this subdivision are apparel articles described below that fall within the statistical reporting periods of the tariff schedule (as in effect on May 23, 2010), enumerated below:

6105.10.00.00, 6106.10.00, 6107.10.00, 6108.10.00, 6109.10.00, 6110.10.00, 6110.10.00.05, 6110.10.20.05, 6110.30.00.05, or 6110.30.30.05.

(I) Not later than April 1, July 1, October 1 and January 1 of each year, the Commissioner responsible for United States Customs and Border Protection shall verify that apparel articles imported into the United States under subdivision (b)(iv) of this note are not being unlawfully transhipped (within the meaning of 19 U.S.C. 2703a(g)(2)) into the United States.

(II) If the Commissioner determines pursuant to subdivision (b)(iv)(D)(1) of this note that apparel articles imported into the United States under subdivision (b)(iv) of this note are being unlawfully transhipped into the United States, the Commissioner shall report that determination to the President.

(I) If, in any 1-year period with respect to which preferential treatment is available under subdivision (b)(iv) of this note, the Commissioner reports to the President pursuant to subdivision (II) regarding unlawful transshipments, the President:

(aa) may modify the quantitative limitation under subdivision (b)(iv) of this note as the President considers appropriate in accordance with such transshipments; and

(bb) if the President modifies the limitation as described in subdivision (aa) above, shall publish notice of the modification in the Federal Register.

[illegible]

(ii) The made-up textile articles that are eligible for the treatment provided under subdivision (r)(i) of this note are the made-up textile articles that are described in the following statistical reporting numbers of the tariff schedule, as in effect on May 23, 2010:

[illegible]

9820.61.45	: Apparel articles described in U.S. note 6(q) to this sub-	:	:	:
	: chapter and imported directly from Haiti or the	:	:	:
	: Dominican Republic.....	:	:	: Free
		:	:	:
9820.63.05	: Made-up textile articles described in U.S. note 6(r) to	:	:	:
	: this subchapter and imported directly from Haiti or	:	:	:
	: the Dominican Republic.....	:	:	: Free"

Proclamations

Proc. 8596

ANNEX III

1. Effective with respect to goods of a party to the Dominican Republic-Central America-United States Free Trade Agreement as defined in general note 29(a) to the HTS that are entered, or withdrawn from warehouse for consumption, on or after March 1, 2006, general note 29(n) is modified by inserting, in tariff classification rule (TCR) 25 for chapter 84, the expression "to heading 8409" after the word "classification".

2. Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after February 3, 2007, U.S. note 2(u) to subchapter XVII of chapter 98 of the HTS is modified by deleting "8543.11" and by inserting in lieu thereof "8543.10" and by deleting "8543.89.93,".

3. Effective with respect to goods of Canada or of Mexico under the terms of general note 12 to the HTS that are entered, or withdrawn from warehouse for consumption, on or after February 3, 2007, general note 12(i) is modified by--

(A) inserting the following new TCRs for chapter 86 in numerical sequence:

- "3A. (A) A change to tariff item 8607.19.03 from any other heading; or
- (B) A change to tariff item 8607.19.03 from tariff item 8607.19.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (1) 60 percent where the transaction value method is used, or
- (2) 50 percent where the net cost method is used.
- 3B. (A) A change to tariff item 8607.19.12 from any other heading; or
- (B) A change to tariff item 8607.19.12 from tariff item 8607.19.15, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (1) 60 percent where the transaction value method is used, or
- (2) 50 percent where the net cost method is used.
- 3C. A change to subheading 8607.19 from any other heading."

(B) deleting from Chapter 85, rule 5, TCRs 85(C) and 85(D), the expression "tariff item 8540.12.aa" and by inserting in lieu thereof "tariff items 8540.12.10 or 8540.12.50" at each instance.